10/19/87 S&GIS-2

OREGON LABOR TRENDS

SEPTEMBER 1987

AUGUST INDICATORS

UNEMPLOYMENT RATE

Oregon		*(Seas. Adj)*
Aug.	1987	6.1
July	1987	6.0
Aug.	1986	8.6
U.S.		
Aug.	1987	6.0
July	1987	6.0
Aug.	1986	6.8

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	*1977 = 100*
Aug. 1987	117.6
July 1987	117.7
June 1987	116.8
May 1987	116.4
April 1987	116.0

DIFFUSION INDEX

Oregon		
Aug.	1987	63.2
July	1987	64.7
June	1987	64.7
May	1987	60.9
Apr.	1987	61.6

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
July	1987	$10.39
June	1987	$10.53
July	1986	$10.53

CONSUMER PRICE INDEX (CPI)

1967 = 100
ALL URBAN CONSUMERS

Portland-Vancouver	
July 1987	321.6
Yearly change	1.6%
Annual Average 1986	316.8
Yearly change	1.4%
U.S.	
Aug. 1987	342.7
Yearly change	4.3%
Annual Average 1986	328.4
Yearly change	1.9%

Portland Hotline 221-4132

OREGON'S ECONOMY STILL STRONG

Tom Lancefield

Oregon's economic performance in August mirrored the continuing strength of the national economy, as all employment-related economic indicators held nearly constant in the state. Seasonally adjusted unemployment registered 6.1% in Oregon, up 0.1 from July. Total employment edged closer to the record level established in June. The Oregon diffusion index dropped slightly from July but was still above 60.0 for the seventh straight month. The nonfarm employment index also dropped slightly (-0.1) from July's record level.

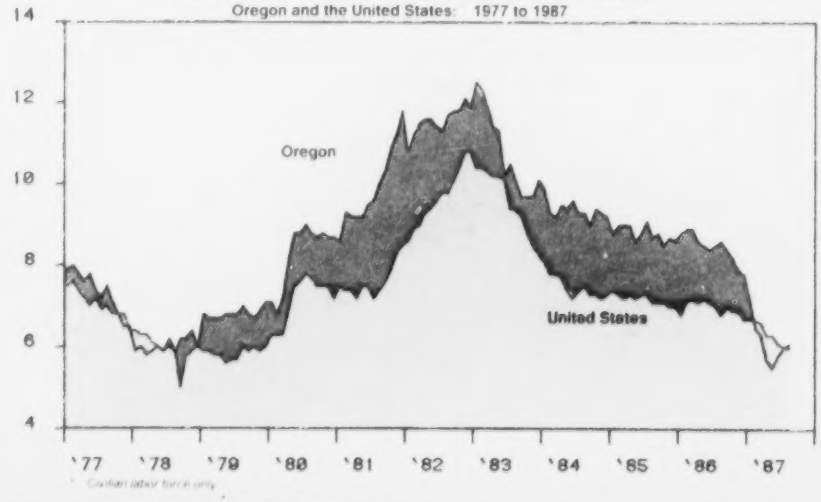
Total manufacturing employment rose by 1,200 jobs in August. This gain was lower than usual mainly because normal seasonal hiring in preserved fruits and vegetables was moved ahead to July by warm weather earlier this year. Lumber and wood products registered a loss of 200 jobs in August, but employment is up 3,700 from a year ago when approximately 1,700 wood products workers were on strike. Electrical equipment and supplies continued to show strength with a seasonally adjusted gain of 300; this sector has averaged 100 new jobs every month in 1987, reversing some of last year's losses in high-tech employment.

Printing and publishing, Oregon's fifth largest manufacturing industry, added 300 jobs. Employment in this industry reached a record 12,500 in August. Strong demand for preparation of Christmas catalogues and annual reports is leading to increases in hiring and overtime.

August's largest employment gains occurred in trade, where 4,300 new jobs were reported. This gain exceeded seasonal expectations by 2,300. Wholesale groceries and related products was particularly strong in August, up a seasonally adjusted 400 jobs. Retail general merchandise and food stores have both been consistently ahead of seasonal norms throughout this year.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*

Oregon and the United States: 1977 to 1987



* Civilian labor force only

Business services accounted for most of the increase in services for the month. The seasonally adjusted gain of 500 puts business services employment at 46,400. Temporary help services also showed strong increases as demand rose for clerical, industrial, and heavy labor.

Real estate registered a seasonally adjusted loss of 200 jobs, possibly reflecting effects of recent interest rate hikes. Insurance industry employment surpassed the 14,000 level for the first time with a 300 seasonally adjusted increase.

Upticks in home mortgage and other interest rates in recent months have apparently not affected activity in lumber and wood products. New orders at western Oregon and Washington sawmills are holding steady at high levels, and prices are strong. According to Random Lengths Market Reporting Service in Eugene, this year's 11% decline in housing starts nationally has not reduced demand for lumber as much as expected. One reason is that repairs and remodeling consumed 28% of U.S. softwood lumber in 1986, compared to only 19% in 1978. Also, the median size of new single-family houses has increased 9% since 1982, requiring more lumber per dwelling, and starts in that portion of the housing market declined only 2% from last year. The median size multi-family unit has declined 6.5% in area since 1982, and starts in the first half of this year fell 27% from 1986 in this sector.

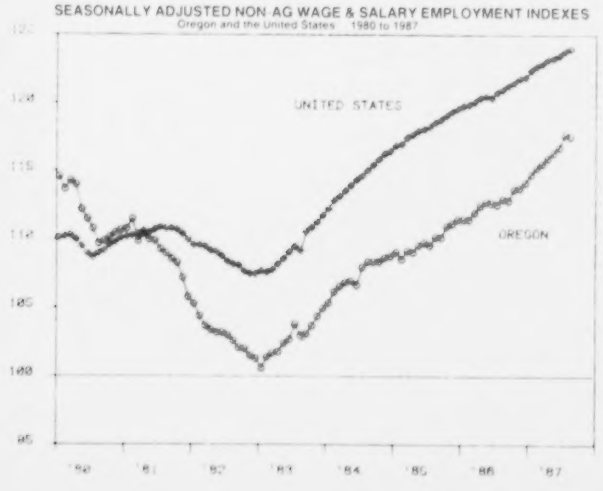
Residential and other construction have fared better in Oregon than in the Nation this year. The value of all residential permits issued during the first seven months of 1987 is 15% higher than last year's level. The number of multi-family housing units, however, is down about 8%, while single-family units are up 9%. The value of building permits for all types of construction in Oregon from January through July was $831 million in 1987 versus $780 million in 1986. Permit valuation for July only was $108 million in 1987, down from $122 million in 1986.

While total lumber demand and production will set new record highs this year, Oregon sawmills are producing more lumber with fewer workers than in the early 1980s. In 1986 it took only 2.8 workers to produce a million board feet (mbf) of lumber, compared to 4.5 workers in the early 1980s, according to the Western Wood Products Association. Some of the productivity gain was achieved by workers putting in more overtime in 1986. More efficient mill operations and newer equipment have also boosted efficiency. Lumber production in Oregon and Washington through the first half of 1987 has run about 13% higher than last year's record pace, according to Random Lengths.

Employment in the veneer and plywood industry is running 2,000 higher than a year ago. About 1,100 of this gain, however, is due to workers on strike last year. The American Plywood Association projects near-record production of structural panels in 1987, and production in western states was running at 85% of total capacity in mid-August. Exports of structural panels are still a minor component of total production: 7,826 million square feet of panels were produced in Oregon in 1986, but only 177.9 msf (2.3%) were exported through the Columbia-Snake Customs District last year, up from 133 msf in 1985. About 90% of Oregon's panel exports in 1986 were shipped to Western Europe.

Shipments of softwood logs from Oregon to all countries peaked in 1985 (1,125 mbf), then slipped 7.5% in 1986 to 1,041 mbf, the second highest level in over 13 years. Japan is the major buyer of Oregon logs, having bought 824 mbf, or 79% of our log exports, last year. For comparison, 8,149 mbf of lumber was produced in Oregon last year (another record), of which 404 mbf was exported. About 43% of these exports went to Japan. Exports of both logs and lumber to Japan are expected to rise as a result of the continuing devaluation of the dollar against the yen.

Meanwhile, nonmanufacturing employment will continue to strenghten in importance in Oregon's economy. Having only recently emerged from prolonged recession, most Oregonians are probably hoping that the current moderate-growth, low-inflation economic climate can be maintained well into the future. □



DIVERSIFICATION: NECESSARY CURE?

David Surdam

A key plank in Oregon's "comeback" is diversification. The dominance of the lumber & wood products industry in Oregon's economy is viewed by some as being an undesirable economic condition. This article will briefly consider whether dependence upon one industry is inherently undesirable from an economic standpoint.

Oregon's economy is an amplification of national trends. The State's booms are greater than the national upswings, and the recessions are more severe than the national downswings.

In a recent study, Richard T. Lindholm concluded that this amplification was the result of Oregon's reliance upon the durable goods sector, and especially the lumber & wood products industry.

Durable goods are both leading and strongly responsive to cyclical changes in the economy. If people anticipate or experience a reduction in the near future in their personal income, they normally postpone or reduce purchases of durable goods (i.e. cars, houses, major appliances). In this way they can maintain a more stable level of consumption of nondurable necessities (such as food, clothing, heating, etc.). Durable goods act as a buffer, absorbing the effects of reduced personal income.

"This theory argues that the current economic mix in Oregon has not put us into trouble, but rather that (the recent) cyclic downturn will be matched by a cyclical boom."

The corollary to this is when personal incomes and the economy begin to grow, durable goods account for much of the increased spending. Nondurable goods continue to remain relatively stable.

Thus this theory argues that Oregon's experience during the 1980s need not portend a long-term economic decline, regardless of whether the State "diversifies". As Lindholm concludes, "This theory argues that the current economic mix in Oregon has not put us into trouble, but rather that [the recent] cyclic downturn will be matched by a cyclical boom." (Lindholm, **Oregon Issues '87**, page 8)

Two caveats should be noted:

1) If a recession persists, even nondurable goods consumption will fall, and we would predict a moderate narrowing of unemployment rates between durable and nondurable goods sectors in general.

2) The relative productivity of the durable goods industry in Oregon must not deteriorate much compared to its competitors.

Certainly the recent upswing in employment (and its attendant decline in unemployment) lends credence to the idea that Oregon's economy is not in a perpetual state of decline -- lumber & wood products employment responded reasonably well to the improved economic conditions, and wood products production has reached new heights.

However, the caveat regarding productivity (which we will mean to include supply conditions that affect output productivity) is worth keeping in mind. If Oregon's lumber & wood products industry has declined in relative productivity vis-a-vis Canadian or southern United States manufacturers, the amplification of the boom may be muted.

The evidence regarding Oregon's relative productivity is not conclusive. Productivity per worker often increases during a recession as a preponderance of younger, inexperienced workers are the first to be released from their jobs. Oregon appeared to follow the national trend during the recession, but the key question relates to its long-term productivity based on whether its durable goods sector has relatively modern and efficient machinery; a well-trained labor force; and access to competitively-priced raw materials (e.g. availability of timber supply). The long-term relative productivity of the State is difficult to discern.

Using 1987 figures, though, it appears that the Lindholm conclusion is valid: dependence upon lumber and wood products is not a one-way ticket to an economic Palookaville. Thus, we may eliminate the "necessity" aspect of diversification.

Diversification has been touted as Oregon's economic saviour. Of course, when lumber and wood products and Oregon's economy in general are bustling, support for diversification wanes. We enjoy the booms provided by the dependence upon the durable goods sectors and bemoan the *inevitable* doldrums.

Diversification can be beneficial, however, in "smoothing" Oregon's business cycles. Most people prefer stability to wild fluctuations, and if this is the public's preference, then diversification may be a worthwhile endeavor.

1) However, diversification, if it smoothes the cycle, may mean sacrificing the big boom periods. But few people complain about the big booms!

2) Diversification will not insure us against downturns, it may only mitigate the severity of such downturns. As noted earlier, even nondurable goods industries eventually respond to reduced personal expenditures.

3) Diversification into declining industries may prove detrimental. Obviously, everyone wants to attract rising industries and "recession-proof" industries. Determining which industries will rise, be recession proof, and provide plenty of high-paying positions is difficult.

For instance, the "average" annual pay for all employees in the electronics industries is higher than in other durable goods industries, but their production workers are often paid less per hour than other durable goods production workers. The apparent contradiction is explained by the relatively high proportion of well-paid non-production workers in the electronics industries (e.g. professional-technical staff in research and development jobs). Also, since these industries produce durable goods, they have not proven immune to volatility.

Diversification will not insure us against downturns, it may only mitigate the severity of such downturns.

I conclude by reiterating Lindholm's remark that Oregon's economy is not in perpetual decline because of its dependence upon lumber & wood products. It is likely that the State will experience a strong but relatively volatile economy without further diversification. The real choice is not between inevitable and perpetual decline versus rejuvenation, but rather whether Oregon wishes to "smooth" its business cycles versus continuing its boom/bust roller coaster ride. □

RESIDENT OREGON LABOR FORCE

	AUG.[1] 1987	JUL.[2] 1987	CHANGE	%CHANGE	AUG.[5] 1986
CIVILIAN LABOR FORCE[3]	1,366,000	1,362,600	3,400	0.25	1,364,900
UNEMPLOYMENT	73,400	76,900	-3,500	-4.55	104,500
PERCENT OF LABOR FORCE	5.4	5.6	XXX	XXX	7.7
SEASONALLY ADJUSTED PERCENT	6.1	6.0	XXX	XXX	8.6
TOTAL EMPLOYMENT[4]	1,292,600	1,285,700	6,900	0.54	1,260,400

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1986 and January 1987, data for 1987 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

INDUSTRY	AUG.[1] 1987	JUL.[2] 1987	AUG. 1986	CHANGE FROM JUL. 1987	CHANGE FROM AUG. 1986
TOTAL[3]	1,106,200	1,098,700	1,063,100	7,500	43,100
WAGE & SALARY EMPLOYMENT INDEX[4]	117.6	117.7	113.0	XXX	XXX
DIFFUSION INDEX[5]	63.2	64.7	50.0	XXX	XXX
TOTAL MANUFACTURING	212,300	211,100	205,600	1,200	6,700
DURABLE GOODS	150,000	149,300	144,000	700	6,000
LUMBER & WOOD PRODUCTS	69,000	69,200	65,300	-200	3,700
LOGGING & SAWMILLS	35,700	35,700	34,400	0	1,300
VENEER & PLYWOOD	17,700	17,800	15,700	-100	2,000
MILLWORK & STRUCTURAL WOOD	10,100	10,200	10,000	-100	100
MOBILE HOMES	1,600	1,600	1,400	0	200
OTHER WOOD PRODUCTS	3,900	3,900	3,800	0	100
FURNITURE AND FIXTURES	2,500	2,400	2,700	100	-200
STONE, CLAY, GLASS & CONCRETE	3,500	3,500	3,600	0	-100
PRIMARY METALS	9,400	9,300	8,600	100	800
BLAST FURNACES, IRON & STEEL	5,600	5,600	5,400	0	200
NONFERROUS METALS	3,800	3,700	3,200	100	600
FABRICATED METALS	10,900	10,800	10,600	100	300
FABRICATED STRUCTURAL METALS	4,900	4,800	4,600	100	300
OTHER FABRICATED METALS	6,000	6,000	6,000	0	0
MACHINERY	15,100	15,100	14,700	0	400
ELECTRICAL EQUIPMENT & SUPPLIES	13,700	13,400	13,100	300	600
TRANSPORTATION EQUIPMENT	10,800	10,500	10,200	300	600
INSTRUMENTS & RELATED PRODUCTS	12,000	12,000	12,500	0	-500
MISCELLANEOUS MANUFACTURING	3,100	3,100	2,700	0	400
NONDURABLE GOODS	62,300	61,800	61,600	500	700
FOOD & KINDRED PRODUCTS	29,800	29,700	30,700	100	-900
CANNING & PRESERVING	19,100	19,000	19,900	100	-800
OTHER FOOD PRODUCTS	10,700	10,700	10,800	0	-100
TEXTILE MILL PRODUCTS	1,700	1,700	1,500	0	200
APPAREL	2,200	2,300	2,200	-100	0
PAPER & ALLIED PRODUCTS	9,200	9,100	9,100	100	100
PRINTING & PUBLISHING	12,500	12,200	11,700	300	800
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,200	0	-100
PETROLEUM REFINING	500	500	400	0	100
RUBBER & PLASTIC PRODUCTS	3,800	3,700	3,400	100	400
LEATHER PRODUCTS	500	500	400	0	100
TOTAL NONMANUFACTURING	893,900	887,600	857,500	6,300	36,400
MINING & QUARRYING	1,500	1,500	1,500	0	0
CONSTRUCTION	40,100	38,700	37,800	1,400	2,300
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	57,900	57,900	57,200	0	700
TRANSPORTATION	36,600	36,500	35,700	100	900
RAILROAD	4,200	4,200	4,400	0	-200
TRUCKING & WAREHOUSING	21,800	21,600	20,800	200	1,000
OTHER TRANSPORTATION	10,600	10,700	10,500	-100	100
COMMUNICATIONS	12,600	12,700	12,800	-100	-200
UTILITIES	8,700	8,700	8,700	0	0
TRADE	285,100	280,800	273,500	4,300	11,600
WHOLESALE TRADE	71,200	69,500	69,000	1,700	2,200
DURABLE GOODS	41,400	41,100	40,200	300	1,200
NONDURABLE GOODS	29,800	28,400	28,800	1,400	1,000
RETAIL TRADE	213,900	211,300	204,500	2,600	9,400
GENERAL MERCHANDISE	27,000	26,600	25,600	400	1,400
FOOD STORES	35,700	35,300	32,900	400	2,800
AUTO DEALERS & SERVICE STATIONS	26,500	26,400	25,700	100	800
OTHER RETAIL TRADE	124,700	123,000	120,300	1,700	4,400
FINANCE, INSURANCE, & REAL ESTATE	74,600	74,400	71,500	200	3,100
BANKING & CREDIT AGENCIES	23,900	24,000	24,100	-100	-200
OTHER FINANCE, INSURANCE, & REAL ESTATE	50,700	50,400	47,400	300	3,300
SERVICES	247,000	246,100	233,500	900	13,500
HOTELS & PERSONAL SERVICES	28,500	28,200	27,100	300	1,400
HEALTH SERVICES	75,900	75,700	73,900	200	2,000
OTHER SERVICES	142,600	142,200	132,500	400	10,100
GOVERNMENT	187,700	188,200	182,500	-500	5,200
FEDERAL GOVERNMENT	31,100	30,800	31,100	300	0
STATE GOVERNMENT	54,600	55,100	51,400	-500	3,200
EDUCATION	19,100	19,900	18,500	-800	600
OTHER STATE	35,500	35,200	32,900	300	2,600
LOCAL GOVERNMENT	102,000	102,300	100,000	-300	2,000
EDUCATION	55,500	56,100	55,300	-600	200
OTHER LOCAL	46,500	46,200	44,700	300	1,800
LABOR - MANAGEMENT DISPUTES	0	100	2,000	-100	-2,000

1/ Preliminary
2/ Revised
3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.
4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).
5/ The Diffusion Index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

DISTRIBUTION OF INCOME IN OREGON

Michael F. Murphy

(Editor's Note: Mr. Murphy is an Economist with the State of Oregon Housing Agency.)

In recent issues of the Oregon Labor Trends, several articles have discussed changes in the sources and types of income in Oregon. Some important trends have been noted. Manufacturing, for example, has become a less important source of employment. As manufacturing jobs decline, they are offset by jobs in nonmanufacturing, particularly in the service and trade sectors. Since jobs in the service and trade sectors tend to be lower paying than manufacturing jobs, workers moving from manufacturing to nonmanufacturing jobs often experience a drop in wage income. According to the Bureau of Economic Analysis (BEA), there has been a drop in overall real wage income in Oregon between 1979 and 1986 which has been offset by an increase in income from dividends, interest, rent and transfer payments. As wages decline for some workers, and the sources of income change, has there been any change in the overall distribution of income for Oregonians? The analysis of data recently assembled suggests that there has been a change in the distribution of income.

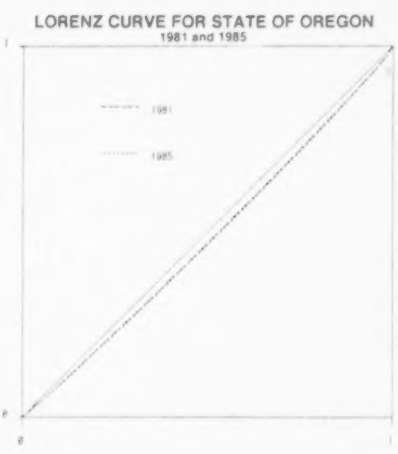
While BEA produces data on total personal income by source, it does not disaggregate the data by income category; hence it is not possible to obtain the distribution of income from BEA data. Another source of income data is the Current Population Survey (CPS) which the Employment Division uses to estimate labor force, employment, and unemployment. Unfortunately, the CPS sample size for Oregon makes it very difficult to utilize these income figures. An alternative source of data is tax returns. The Oregon Department of Revenue recently prepared information on income by detailed income group for the Oregon Revenue Forecast for calendar years 1981 through 1985. The figures also list income by three types: wage income, income from capital gains, and other income.

The accompanying table shows the income summarized by income categories for 1981 and 1985. The information is presented in terms of income per taxpayer, and percentage distributions. The 1981 figures have been adjusted for changes in inflation using the Personal Consumption Expenditure Deflater at the national level.

Consistent with BEA data, wages as a percentage of total income dropped during this period, while income from both capital gains and all other income has increased in real terms. The income categories shown in the table indicate a small change in the percentage distribution by income category, although the percentage of those with taxable income above $60,000 increased from about 3.9% in 1981 to about 4.2% in 1985. One interesting fact to emerge is the change in the importance of wage income for the lower income groups. For taxpayers with a positive income below $20,000, wage income comprised over 75% of income in 1981 but only 72% in 1985. In contrast, wage income as a percent of total income went from 50% to 52% for those with incomes above $60,000.

A tool often used to measure the distribution of income is the Lorenz Curve. This approach is useful because the numbers produced are independent of any particular price level, so there is no need to use a price index to adjust income data. This curve relates the cumulative proportion of income recipients (here taxpayers) to the cumulative proportion of income recieved when the income recipients are arranged in order of their income.

The accompanying graph shows the Lorenz Curves for total income from the tax data for the years 1981 and 1985. The straight line diagonal between the bottom left-hand corner and the top right-hand corner is sometimes called the Equalitarian Line, because a society



with a completely equal distribution of income would have a Lorenz Curve along this line. At the other extreme the Lorenz Curve would go along the bottom of the box to the far right-hand corner. This would be a society where one member of that society held all the income.

This graph shows that while the two curves are very close together, the curve for 1985 lies outside and to the right of the curve for 1981. This suggests that income distribution for Oregon became somewhat less equal during the first part of this decade. While there may have been an increase in inequality, the data suggest that the increase in income inequality has not been large.

There are several limitations to the data. Non-taxable income, particularly social security income, is not included in the data. Also, it is not known how many taxpayers did not file returns. Some earners with very low incomes are not required to file tax returns. Some income is not reported, particularly if that income had been obtained illegally from the "underground economy". Notwithstanding these limitations, it appears that there has been a slight shift to a less equal distribution of income during this decade in Oregon. □

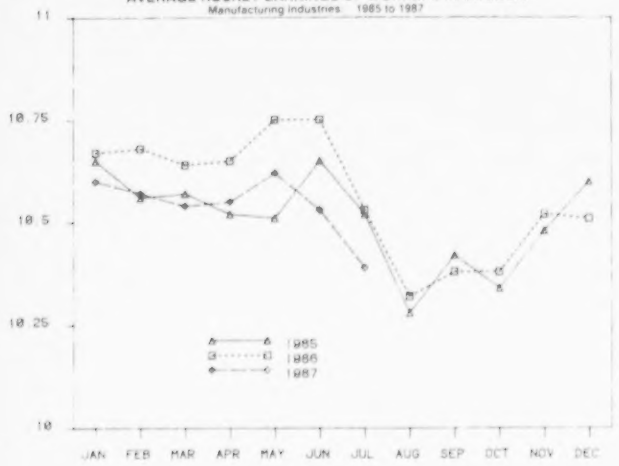
TAX INFORMATION FOR OREGON, 1981 AND 1985

Income Categories	1981 INCOME TAX DATA (In 1985 Dollars) Income Per Taxpayer: Wage Income	Capital Gains	Other Income	Total Income	Number & % of Taxpayers		1985 INCOME TAX DATA Income Per Taxpayer: Wage Income	Capital Gains	Other Income	Total Income	Number & % of Taxpayers	
LESS THAN $0	4,287	1,597	-31,034	-25,151	10,382	1.01	4,489	1,470	-36,954	-30,995	11,349	1.12
$0 TO $10,000	3,766	17	1,171	4,956	327,798	31.80	3,616	10	1,455	5,080	323,064	31.88
$10,000 TO $20,000	11,280	83	3,379	14,742	246,771	23.94	10,634	84	3,987	14,705	240,458	23.73
$20,000 TO $30,000	20,392	[illegible]	4,208	24,754	182,009	17.66	19,788	152	4,855	24,795	179,332	17.69
$30,000 TO $40,000	28,945	254	5,420	34,629	122,391	11.87	28,660	254	5,653	34,566	119,185	11.76
$40,000 TO $50,000	36,577	454	7,432	44,463	69,175	6.71	36,458	466	7,536	44,459	65,632	6.48
$50,000 TO $60,000	41,892	910	11,542	54,345	32,305	3.13	43,042	830	10,486	54,357	32,347	3.19
$60,000 TO $70,000	44,068	1,722	18,582	64,372	14,554	1.41	46,452	1,585	16,341	64,378	15,368	1.52
$70,000 TO $80,000	44,883	2,876	26,739	74,498	7,498	0.73	48,555	2,603	23,358	74,515	7,864	0.78
$80,000 TO $90,000	44,023	3,940	36,608	84,571	4,531	0.44	50,943	3,768	29,950	84,661	4,769	0.47
$90,000 TO $100,000	47,419	5,133	42,175	94,727	2,981	0.29	52,598	5,191	36,845	94,633	3,135	0.31
$100,000 AND OVER	66,718	22,450	91,078	180,246	10,301	1.00	76,424	28,047	100,159	204,630	10,968	1.08
TOTAL INCOME	16,695	461	4,766	21,921	1,030,696	100.00	16,643	535	5,110	22,288	1,013,471	100.00

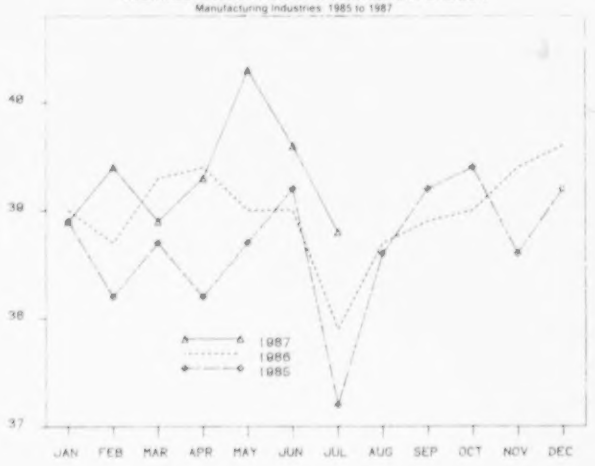
Source: Oregon Department of Revenue Oregon Housing Agency

HOURS & EARNINGS

AVERAGE HOURLY EARNINGS OF WORKERS IN OREGON
Manufacturing Industries 1985 to 1987



AVERAGE WEEKLY HOURS of WORKERS IN OREGON
Manufacturing Industries 1985 to 1987



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	July[2] 1987	June[3] 1987	July 1986	July[2] 1987	June[3] 1987	July 1986	July[2] 1987	June[3] 1987	July 1986
TOTAL MANUFACTURING[4]	$403.13	$416.99	$399.09	38.8	39.6	37.9	$10.39	$10.53	$10.53
Durable Goods	417.12	427.43	408.10	39.5	40.4	38.5	10.56	10.58	10.60
Lumber & Wood Products	408.58	432.80	409.12	38.4	40.6	38.2	10.64	10.66	10.71
Logging & Sawmills	432.44	463.49	445.83	36.0	40.8	38.6	11.38	11.36	11.55
Veneer & Plywood	391.23	420.39	383.39	37.8	40.5	36.9	10.35	10.38	10.39
Millwork & Structural	375.42	368.74	345.93	41.3	40.7	39.0	9.09	9.06	8.87
Mobile Homes	298.65	318.69	321.53	36.2	37.1	37.0	8.25	8.59	8.69
Other Wood Products	400.90	426.13	412.16	38.4	40.7	38.7	10.44	10.47	10.65
Furniture & Fixtures	349.50	365.36	321.79	37.3	37.9	39.1	9.37	9.64	8.23
Primary Metals	509.35	502.80	451.27	42.2	41.9	37.7	12.07	12.00	11.97
Fabricated Metals	379.60	385.73	393.22	39.5	39.2	39.8	9.61	9.84	9.88
Machinery (Ex Electrical)	436.79	445.91	419.00	39.6	40.5	38.3	11.03	11.01	10.94
Nondurable Goods	371.88	390.95	375.34	37.3	37.7	36.3	9.97	10.37	10.34
Food & Kindred Products	288.08	316.46	301.46	36.1	37.1	35.3	7.98	8.53	8.54
Canning & Preserving	244.97	267.53	250.29	35.4	36.3	34.1	6.92	7.37	7.34
Other Food Products	402.04	409.16	401.88	38.0	38.6	37.7	10.58	10.60	10.66
Textile Mill Products	211.22	236.74	218.35	34.4	35.6	33.8	6.14	6.65	6.46
Apparel	222.74	224.37	164.16	37.0	37.9	28.5	6.02	5.92	5.76
Paper & Allied Products	658.03	628.49	623.21	41.7	40.6	40.6	15.78	15.48	15.35
Printing & Publishing	419.84	424.66	403.39	36.1	35.3	35.2	11.63	12.03	11.46
Construction[4]	490.51	487.08	483.16	36.2	36.0	35.5	13.55	13.53	13.61
Communications & Utilities[5]	519.90	542.11	499.75	39.9	41.1	40.4	13.03	13.19	12.37
Trade[5]	290.87	290.19	293.06	34.1	34.1	34.6	8.53	8.51	8.47
Wholesale Trade	387.59	392.40	393.52	36.6	37.3	37.3	10.59	10.52	10.55
Retail Trade	245.11	242.87	244.09	32.9	32.6	33.3	7.45	7.45	7.33
Banking & Insurance	306.55	310.92	301.20						
State & Local Government	386.92	354.65	378.61						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

ARE THE RICH GETTING RICHER?

Arthur Ayre

Occasionally, you hear the statement that "the rich are getting richer and the poor are getting poorer." National statistics published in July by the Department of Commerce support this statement, at least in part and for the period from 1970 to 1986. The statistics show increases in the shares of both high-income and low-income families, and a decrease in the share of families with income in the middle range. Also, there is a strong trend toward "the rich getting richer" (prior to taxes) between 1980 and 1985. These two trends cause a wider, more skewed distribution of family income.

The data used for this analysis were published in "Money Income and Poverty Status of Families and Persons in the United States: 1986." The report contains the "advance data" from the March 1987 Current Population Survey, which is a national survey of 60,500 households. The analysis presented here covers the data for "Families" and does not necessarily imply similar conclusions about the income of "Persons." Also, the "Money Income" figure is calculated prior to the subtraction of federal, state, local, and Social Security taxes, union dues, Medicare premiums, and similar deductions, and does not include capital gains or losses.

Following a substantial, steady rise during the 1960s, real median income declined during the recessionary periods of 1970, 1974, 1980, and 1982. (Median income indicates that half of the surveyed families earn more than this level and half earn less. Mean income is a figure computed by dividing total income earned by all families by the total number of families.) The first graph shows both mean and median income from 1970 to 1986 in real dollars, that is, adjusted for inflation. While real mean income in 1986 is above its peak (1978) level, real median income is not.

The Department of Commerce data consist of the percentage of families in each of eleven income ranges for each year since 1970. Median and mean income data are also supplied. Using this data, we can establish three groups of families: those earning less than 50% of median family income, those earning 50% to 150%, and those earning more than 150%. We used interpolation to allocate percentages in original ranges which straddled the boundaries of the three groups. The results are presented graphically for 1970, 1975, 1980, and 1985. The trend toward larger shares of both high- and low-income families is unmistakable.

Finally, we can compare the ratio of mean income to median income. When mean income is substantially greater than median income, it indicates that there is a small group of families earning much more than the median income level. When the ratio increases, it indicates that "the rich are getting richer" relative to the majority of families. In statistical terms, it indicates a skewing of the distribution of income toward a larger group of relatively poor families and a small group of relatively rich families. The mean to median income ratio is shown in the third graph. The period of 1980 to 1985 stands out as a period of substantial skewing of the distribution. □

MEDIAN INCOME SEGMENTS
Percent of Families in Each Segment
PERCENT OF U.S. FAMILIES
GROUPINGS IN PERCENT OF MEDIAN INCOME

EMPLOYERS' CORNER - INVESTING IN OREGON'S FUTURE

Dorothy Monnier

INVESTING IN OREGON'S FUTURE. IT'S YOU! IT'S YOUTH! IT'S BUSINESS WORKING WITH GOVERNMENT PUTTING YOUTH TO WORK.

In the June 1987 edition of **Oregon Labor Trends,** my article in the Employers' Corner discussed the new Oregon Youth Conservation Corps (OYCC).

This month Allyson Spencer, OYCC Director, shares with you the success of this program.

"It's not often that I have the pleasure of reporting on a short-term work program that's packed with success stories." This describes the Oregon Youth Conservation Corps, where 410 teenagers, supervised by young crewleaders, dug, pounded, cleared, stacked, caulked, and/or otherwise worked their fingers to the bone.

The 17 crews performed outdoor work, constructed miles of fencing, built scores of gabions (rock structures in rivers and streams), and enhanced salmon spawning beds. They improved the appearance of several state and city park recreational areas, renovated bird habitats and cleared brush and debris, to name but a few of their accomplishments.

Natural resource administrators say the work was invaluable. Many of the tasks performed could not otherwise have been done because of shortages of labor and resources.

The eight-week program gave teens from counties with high youth unemployment a chance to work -- to learn new skills, strengthen self-confidence, and put in a day's work for a day's pay.

Community support for the program grew as the hard work and dedication of the crews was seen. Volunteer support and contributions came forth along with pride in the youngsters at the work accomplished.

The 310 crew members weatherized 8,000 homes, assuring a more comfortable winter for many elderly and low income Oregonians.

At a recent recognition event, Governor Goldschmidt praised the corpsmembers for their good work, saying he would like to see a crew in every county. He also thanked the state, county, city and federal agency people who put the program together at very short notice and who nurtured it to completion.

All the crewmembers took away a newly acquired understanding of the importance of natural resource conservation and preservation as well as how better to serve humanity.

Several people came away with permanent jobs! Three members of the Pendleton Fire Crew have recently been hired full-time with the Forestry Department. BETTER PEOPLE, BETTER ENVIRONMENT, BETTER STATE -- that's what the Oregon Youth Conservation Corps is all about! □

NEW CAREERS TABLOID

Oregon Careers, 1987-88 is hot off the press and available free to anyone interested in selecting a career, finding a job, or understanding the Oregon economy.

This annual newspaper contains updated information on over 300 of the most popular jobs in the State, as well as interesting features on the Oregon economy and worklife in the year 2000.

Oregon Careers, 1987-88 can be picked up at any Employment Division local office, or can be ordered by writing to:

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Employment Division
Research and Statistics
875 Union St NE
Salem OR 97311

Telephone orders can be made by calling (503) 378-6400.

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